
Phase II Environmental Assessment

Owners (Developers/Borrowers) should be aware of the environmental implications associated with their property. Before committing loan proceeds to a particular use, the Minnesota Housing Finance Agency (Minnesota Housing) may require a Phase I Environmental Assessment and in some cases, Minnesota Housing may also require a Phase II Environmental Assessment of recognized environmental conditions at the property. The Phase II Environmental Assessment may be a result of unresolved issues from the Phase I Environmental Assessment or this requirement may be based on separate issues. In either case, all applicable federal, state and local regulations shall be adhered to.

Purpose: To thoroughly investigate the presence and extent of recognized environmental conditions.

Requirements:

1. Minnesota Housing requires a Phase II Environmental Site Assessment (Phase II ESA) if the Phase I Environmental Site Assessment reveals the presence of recognized environmental conditions; or, if other issues are present that determines it is necessary.
2. If a Phase II ESA of recognized environmental conditions is required, it shall be conducted by a qualified environmental assessor in strict conformance to most current ASTM Phase II Environmental Assessment (E 1903) standards.
3. A complete report describing scope, methods, and conclusions of the Phase II ESA shall be prepared and multiple copies sent to the Owner. An executive summary shall be contained in the report that briefly describes the presence or absence of recognized environmental conditions.
4. Minnesota Housing will require an Environmental Review Reliance Letter on the environmental company's letterhead if the actual report does not name Minnesota Housing as having the right to rely on the contents of the Phase II ESA. The required language to be contained in the letter.

Disclosure: Owners are required to comply with all applicable disclosure requirements. This includes, but not limited to, providing Minnesota Housing and any Contractors, who are bidding or performing work on the property, with copies of all environmental assessment reports; and providing the Environmental Assessor with the scope of proposed work, such that the Environmental Assessor is aware of any materials that are likely to be disturbed during proposed site improvement activities.